



GROUP MANAGEMENT REPORT
OUR COMPANY

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Roadmap to Success

2024 was a successful year for adidas. The turnaround that was initiated in 2023 gained momentum and broadened across markets, categories, and channels. Against this backdrop, we not only delivered results that significantly exceeded initial expectations, but also made adidas a better company during 2024: We have created brand heat with a focus on locally relevant products and activations, further improved our product range and go-to-market approach, built stronger partnerships with both our retail and brand partners, arrived at a healthy inventory position globally, and started to simplify the way we work. With this, we laid the foundation for continued success on our roadmap to becoming a good company in 2025 and a healthy company by 2026.

During 2024, we continued to strengthen our brand and our business in several ways:

- **Global brand with a local mindset:** We need to be where our consumers are. With more local trends emerging, the need for local relevance continues to increase. Instead of a centrally defined one-size-fits-all approach, we have empowered our markets to create the product, storytelling, partnerships, and channels they need to be successful. By providing our markets with decision-making autonomy, we can meet the expectations of our customers and the needs of our consumers around the world.
- **Speed and agility:** Fast-changing trends and consumer demands require flexibility and agility. We have empowered our people to accelerate decision-making and have begun to eliminate complicated processes to react quickly. We will continue to prioritize speed and agility to react faster to the needs of our consumers and the feedback from our retail partners.
- **Healthy balance between channels:** We have transitioned from a narrow focus on our direct-to-consumer business to a service-oriented model toward our retail partners. By listening closely to their feedback and acting on it, we have proven our desire to be a trusted partner for them. And while wholesale is crucial for our future success, we continue to invest in our own retail and e-commerce presence. It is all about maintaining a healthy balance between our channels to win with the consumer.
- **Brand heat:** We are proud to produce groundbreaking innovation in sports and some of the most sought-after product in lifestyle. This outstanding product is amplified by brand heat – and vice versa. Brand heat is the sum of everything we do. It comprises athletes, teams, celebrities, street culture and more. With this in mind, we have entered and extended partnerships with some of the greatest teams and players out there, such as the Argentine Football Association and rising football star Lamine Yamal, and also welcomed countless athletes to our brand who are pushing boundaries in smaller sports, including track and field, rugby, tennis, and baseball. And while we are equally proud of our cultural partnerships, we will remain deeply rooted in sport.
- **Brand message on the joy of sport:** To complement our strong product offering and drive brand heat holistically, we have created a new brand narrative – ‘You Got This.’ By putting the joy of sport and its power as a great unifier at the center, we want to counteract an atmosphere of pressure and stress, especially for our younger consumers. We have activated this message globally – amplifying it through last summer’s major sports events and featuring many of our brand partners – and will continue to evolve the narrative in the seasons to come. The latest chapter of our brand campaign focuses on the ‘Plus One Effect’, highlighting the influence each of us has in uplifting others in sport. We all need someone to make us believe.

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TO OUR SHAREHOLDERS	GROUP MANAGEMENT REPORT – OUR COMPANY	GROUP MANAGEMENT REPORT – FINANCIAL REVIEW	GROUP MANAGEMENT REPORT – SUSTAINABILITY STATEMENT	CONSOLIDATED FINANCIAL STATEMENTS	ADDITIONAL INFORMATION

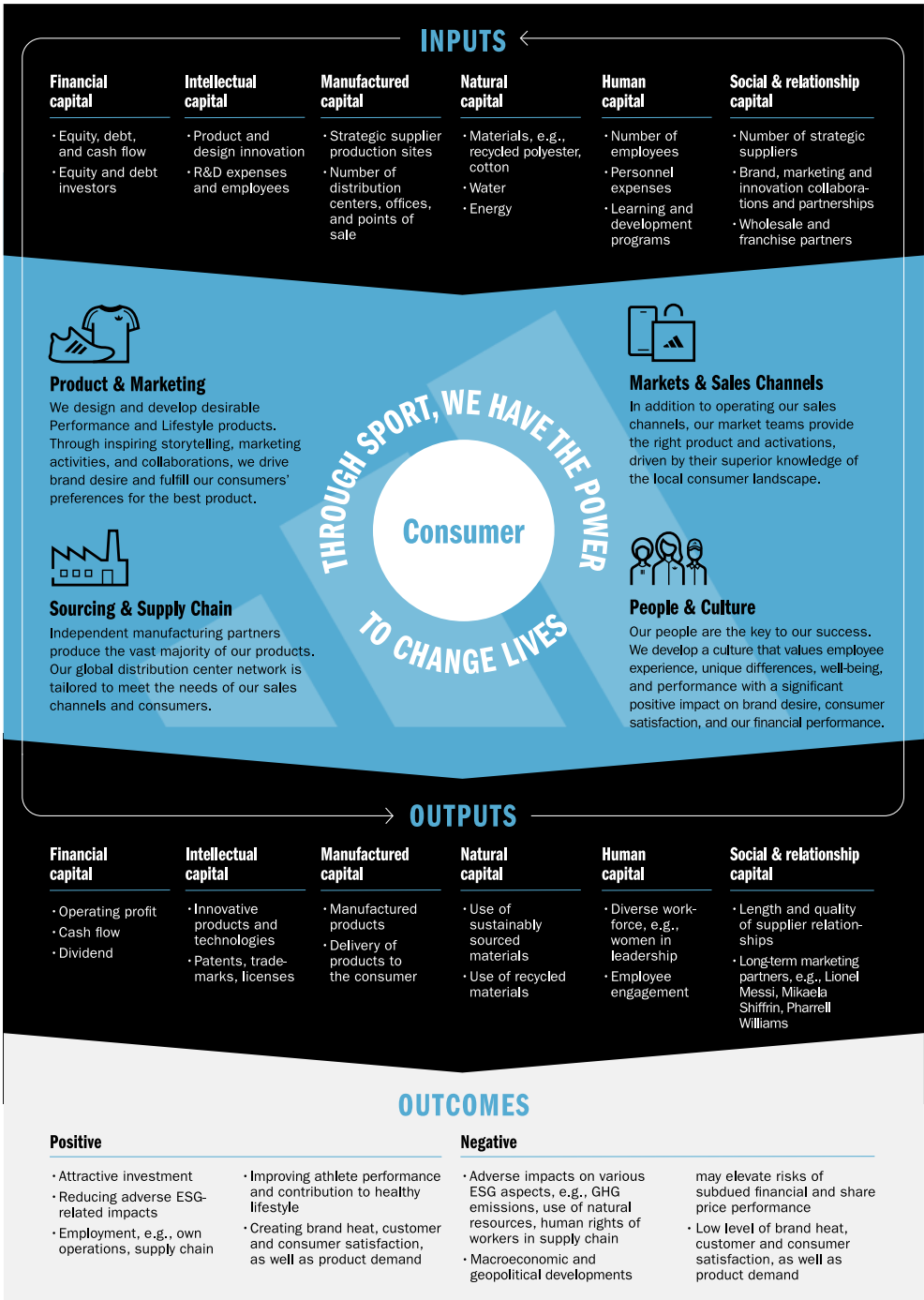
In addition, we have five foundational pillars that will continue to guide us through 2025 and beyond:

- **People:** We believe that our people are the key to the company’s success. We focus on creating a culture that strengthens their performance, well-being, and personal development. This will have a significant impact on brand heat, consumer and customer satisfaction, and, ultimately, our results.
- **Product:** Product is king and queen. We innovate in materials, designs, and technologies to constantly bring exciting new products to the market. This allows us to be relevant to consumers, both on the Performance and the Lifestyle side, as well as to keep growing our deep archive of sportswear icons.
- **Consumers:** Our consumers are at the heart of everything we do. We focus on what matters to them, creating the product they want, offering the service they expect, and providing the experience they need.
- **Retail partners:** We need to be the best service partner for retailers. Multi-branded environments reach consumers at scale, and we can leverage our strong product pipeline through efficient distribution.
- **Athletes:** Whether the crowd watching is large or small, we are here for all athletes. For 75 years, we have been innovating for sports and striving to create only the best for the athlete. This is in our DNA and has shaped our rich heritage. It is where we come from and where we need to be.

Description of business model

Business Model Overview

The overview below outlines the major input and output factors as well as the outcomes of our business activities. More detailed information can be found in the respective sections of this Annual Report. An interactive version of the presentation of our business model can be found online. ► [REPORT.ADIDAS-GROUP.COM](https://report.adidas-group.com)



Product and Marketing

Under the adidas brand, we have been designing, engineering, and marketing world-class sports products for 75 years. Through developing innovative products and telling inspiring stories, we create only the best for the athlete. By doing so, we continue to build brand equity as well as trust of our partners, which in turn enables us to capitalize on structural growth opportunities in the sporting goods industry.

The adidas brand

The adidas brand has a long history and deep-rooted connection with sport. We believe that through sport, we have the power to change lives. This is our purpose, and we live it every day by expanding the limits of human possibilities. To remain one of the most recognized and iconic brands in the world, on and off the field of play, we need to drive and maintain our credibility in sport. For us as the adidas brand, this means launching groundbreaking innovations to continuously deliver the best for the athlete, while also enabling a broader culture that is born from it. Being committed to inclusivity, we ensure that all athletes and consumers are considered and supported by our product assortment. ▶ SEE ESR5 S4 CONSUMERS AND END USERS

Product born from sport

Product is at the core of everything we do. Our Performance products are built from sport and worn for sport, helping our athletes to perform at their best in a broad range of sports, represented by our famous 3-Bar logo. We serve all athletes, in major participation sports like football, running, and training, as well as in credibility sports, including outdoor, golf, and tennis, among many others. On the Lifestyle side, adidas Originals is motivated by the collective memory of sports and represents brand classics as well as new visionary designs. The Trefoil – adidas Originals’ iconic signifier – celebrates products that connect with culture, leveraging our archive and celebrating our partnerships. In addition, Sportswear is built as an expansion from the playing field to courtside. It is born from sport and worn for style. Sportswear offers our consumers everyday products that redefine comfort, versatility, and aesthetics.

3-BAR LOGO



Sport Performance Sportswear

TREFOIL



Originals

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With a 75-year history of groundbreaking innovation in sports, we have built an enormously rich archive – the collective memory of our brand. Some memorable moments include:

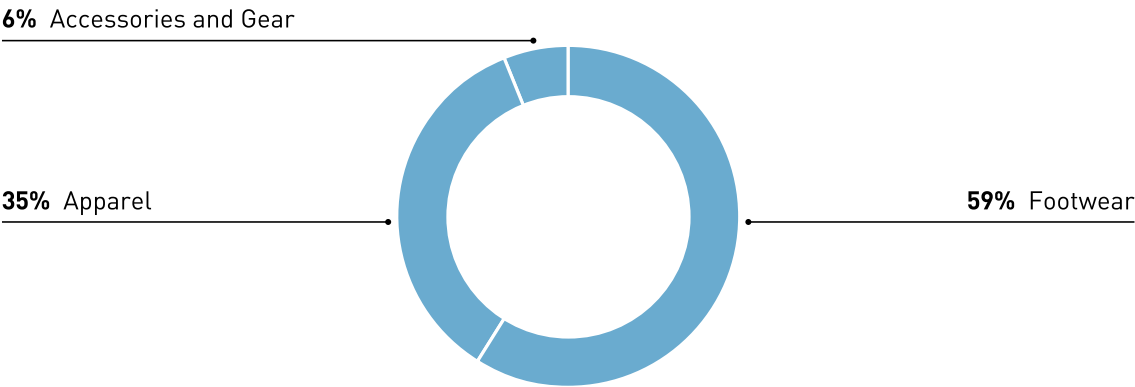
- **1949:** ‘Adolf Dassler adidas Sportschuhfabrik’ is registered in the small town of Herzogenaurach, Germany, and founder Adi Dassler launches a sports shoe featuring the soon-to-become-famous 3-Stripes, marking the humble beginnings of a global success story.
- **1954:** adidas makes its mark on the football pitch, with innovative screw-in studs on lightweight football boots helping the German national football team beat Hungary in the 1954 World Cup final.
- **1967:** The iconic Franz Beckenbauer tracksuit celebrates its debut as the first piece of apparel from the brand. To this day, iterations of our tracksuits resonate with consumers around the globe.
- **1970:** After unlocking footwear and apparel, we deliver the Telstar as our first official match ball for the 1970 FIFA World Cup in Mexico. This marks the beginning of a successful strategic partnership, with the brand providing innovative official match balls for every FIFA World Cup ever since.
- **1972:** To enhance brand visibility, the Trefoil is introduced as a new logo featuring three leaf-shaped foils. In the same year, the Samba as we know it today launches as a fast-paced and agile football shoe, before later turning into a lifestyle icon.
- **1973:** A tennis shoe developed in the 1960s is rebranded in honor of one of the biggest sports stars of the time: Stan Smith. The silhouette is synonymous with timeless style and has become an everyday staple of modern footwear.
- **1986:** Initially designed for basketball, US-based hip-hop group Run-D.M.C. turn the Superstar shoe into a streetwear icon with the release of the song ‘My Adidas’.
- **1994:** Marking the next chapter in our rich football history, the Predator boot is born. While the rippled rubber fins remain a distinctive feature, continued iterations ensure the franchise remains a go-to for the world’s top players and amateurs alike.
- **2001:** adidas becomes the pioneer in the industry to introduce a new lifestyle segment, focusing on sports-inspired streetwear. In the years to come, new partnerships with Yohji Yamamoto (2001), Stella McCartney (2002), and Pharrell Williams (2014) are born along with exciting labels, such as Y-3 (2003).
- **2013:** Boost hits the market and the running industry is changed forever. With the Ultraboost franchise launch in 2015, the responsive cushioning technology is brought into an elegant silhouette, dissolving the boundaries between performance and lifestyle running.
- **2019:** Leveraging years of comprehensive research, we introduce a new sustainability concept called Futurecraft.Looped, a completely recyclable performance shoe. This marks another critical milestone in our ambition to continuously push industry-wide boundaries in terms of sustainability.
- **2022:** In collaboration with Gucci, we build on the incredible legacy of the Gazelle since 1966, resulting in one of our most sought-after releases. Featuring premium materials, a kaleidoscope of colors, and merging the iconic Trefoil and Gucci emblems, these ‘Made in Italy’ Gazelles firmly reestablish the silhouette around the world.
- **2023:** Continuing to provide only the best for the athlete, we unveil the Adizero Adios Pro Evo 1, our lightest-ever running shoe. Weighing in at 138 grams, the shoe is 40% lighter than any other shoe adidas has ever created and enables our athletes to set new personal bests and break multiple records.

Product franchises as lighthouses for our brand

Within our wide and deep product range, product franchises are our most iconic symbols of sport and culture as well as the lighthouses of our brand. In Performance, globally recognized footwear franchises include Predator and F50 in Football, Adizero and Ultraboost in Running, Dropset in Training, Agravic in Outdoor, Barricade in Tennis, and AE1 in Basketball. In the Lifestyle category, they include perennial footwear icons such as Samba, Gazelle, Handball Spezial, Campus, Stan Smith, and Superstar.

Footwear is key to winning consumer mindshare. With our rich archive, access to fundamental athlete insights as well as technological innovation, we have been pushing and continue to push boundaries in the athletic footwear industry. This is reflected in our category mix: In 2024, footwear had the highest share of net sales by product category at 59% (2023: 57%), followed by apparel at 35% (2023: 36%), and [accessories and gear](#) at 6% (2023: 7%).

Net sales share by product category



We leverage the footwear-led brand heat and expand it into our apparel as well as accessories and gear business. On the apparel side, we aim to build and grow franchises such as the Firebird range, the Z.N.E. collection, Tiro pants, and MyShelter jackets. In apparel, too, our franchises represent the very best of adidas, influencing not only sport but also the culture born from it while contributing to building our brand equity. Through uncompromised functionality, iconic designs, and unique stories, they have the potential to be iterated over time to preserve desirability.

Global brand with locally relevant product range

Brand desirability might look and feel different in different parts of the world. As a global brand with a local mindset, we therefore ensure that our product is tailored to local tastes and trends. While product franchises and our seasonal spring/summer and fall/winter ranges are developed on a global basis, our markets are empowered to adapt the assortment and go-to-market to their local needs. Through dedicated local design, development, sourcing, and marketing resources, we enable our market teams to cater to the consumers in their respective market.

Besides the global creation engine at our headquarters in Herzogenaurach, we have invested into creation capabilities in Portland and Los Angeles for North America, in Shanghai for Greater China, and Tokyo for Japan, among others. This set-up enables us to leverage our archive and the strength of a global brand, while ensuring relevance for a broad array of local consumer preferences. ► [SEE MARKETS AND SALES CHANNELS](#)

Product innovation and success stories

We have a long heritage of innovation and constantly strive to provide athletes with the best by creating high-performance and competitive products. Technology platforms such as Boost, Lightstrike, and Clima are proof points of our broader approach to innovation and act as enablers to define new successful athlete stories through best-in-class product execution. We collaborate with athletes and consumers, universities, innovative companies, governments, and research organizations to further understand performance requirements. Based on these insights, we invest in manufacturing techniques and new technologies with the aim to address the challenges athletes experience.

In the past year, we continued to serve all athletes with innovative technologies, materials, and sustainable concepts built into our Performance products:

- **AE1:** Showcasing the future of adidas Basketball through innovative design and technology, the Anthony Edwards 1 excites consumers on and off the court. Voted sneaker of the year in 2024 by Complex, the success of Anthony Edwards' model also drives consumer awareness for our Harden, D.O.N., and Dame signature lines.
- **Adizero Adios Pro 4:** The Adizero Adios Pro range is developed to break records. The Adios Pro 4 takes the technology from Adizero Adios Pro Evo 1 – our record-breaking running shoe – and makes it available to all ambitious marathon runners.
- **Adizero Evo SL:** This launch is further democratizing our record-breaking Adizero range, offering technological innovation and design elements from the Adizero Adios Pro Evo 1 at the more affordable price point of € 150. With its clean look, the Evo SL catches attention during and after any run.
- **Supernova 2:** Even lighter than its predecessor, the Supernova 2 provides a superior daily running experience, with new features such as the Dreamstrike+ midsole which enhance the franchise's comfort-driven proposition.
- **Ultraboost 5:** The latest iteration of our iconic running franchise refocuses on performance, featuring a reengineered midsole to provide even more energy return and bold colorways for lifestyle-conscious runners.
- **Duramo SL:** Developed for the price-conscious runner and priced below € 80, the mesh upper and padded heel create a soft, supportive feel, while the Lightmotion midsole adds lightweight cushioning.
- **Predator:** Many of football's greatest players trust the Predator, a boot crafted for goals. The latest iteration continues this success story, featuring a lightweight soleplate and heel construction that optimizes traction for dynamic movement and stability when striking the ball.
- **F50:** After a nine-year hiatus, we relaunched the F50 on the occasion of its 20th anniversary. Taking inspiration from elite track spikes, we provided this famous built-for-speed football franchise with a comprehensive upgrade.
- **Crazyquick:** As padel's popularity and presence grows, we built on our deep expertise in tennis and other court sports to introduce our first dedicated padel footwear franchise. Its lightweight and breathable design offers enhanced stability, cushioning, and energy return.
- **Dropset 3:** Designed specifically for the demands of weight-based exercises, the new Dropset offers enhanced stability and grip. This helps gym enthusiasts distribute weight evenly while transferring force from feet to ground, reducing injury risk.
- **Optime:** Our new Optime leggings blend support, style, and freedom of movement. Engineered with advanced material constructs, the squat-proof leggings offer all-day confidence and comfort inside and outside the gym.
- **Terrex Xperior:** Made with 100% recycled PrimaLoft insulation, this award-winning jacket does not compromise performance for sustainability. Its distinctive pattern and insulation support breathability and keep adventurers warm even in wet conditions.
- **Z.N.E.:** Our revamped Z.N.E. collection ('Zero Negative Energy') is the epitome of innovation in apparel. Bringing high-quality performance fabrics into everyday silhouettes, including hoodies and pants, creates a distinctive offering that our consumers can rely on in all occasions.

We also continued to create sports-inspired product stories that resonate with consumers in Lifestyle, leveraging our rich archive and roster of brand partners:

- **Terrace:** Seeded by the adidas x Gucci Gazelle, one of our most sought-after collaborations, we continue to drive newness and depth, building on the increasing interest of the consumer in our [Terrace](#) offering, consisting of Samba, Gazelle, and Handball Spezial. Numerous high-profile collaborations with Pharrell Williams, JJJJound, and Bad Bunny keep our franchises relevant as we carefully manage supply.
- **Campus:** Originally at home in skateboarding, the Campus with its bulkier silhouette perfectly complements our Terrace offering. Organically picked up from our Gen Z and Gen Alpha consumer on social media, it now enjoys even greater popularity than Terrace silhouettes in some of our markets.
- **SL 72:** Historically developed for marathoners, this franchise now takes the T-toe style into Retro Running for our Lifestyle consumers. We continue to scale volumes in response to fast-growing demand, while keeping the franchise relevant through fresh colorways and exciting collaborations such as that with Sporty & Rich.
- **Low Profile:** Given our credentials in martial arts, boxing, and motorsport, we successfully incubated Low Profile franchises such as Taekwondo and Japan. The low and slim silhouettes have already created hype on fashion runways and red carpets around the world. Examples of our activations include the Stella McCartney show at Paris Fashion Week and Emma Chamberlain on the cover of The Face magazine.
- **Climacool:** By pushing the boundaries of design innovation, we offer a shoe that defies conventional norms with a unique lattice structure and is entirely 3D-printed with cutting-edge technology. The 360° airflow makes the shoe feel as if it is almost non-existent, a testament to our innovation, design, and comfort journey toward creating the best Lifestyle Running product for our consumers.
- **Aruku:** Another highlight in Lifestyle Running, the Aruku provides a completely different level of comfort. Inspired by an iconic running shoe from the 2000s, this franchise has a curved rocker shape and Swirlfoam cushioning that keeps our consumers moving comfortably all day. Bold activations with artists such as Gunna at ComplexCon have pushed the franchise to the forefront of the sneaker community.
- **Superstar:** We are relaunching one of our most iconic shoes with new colorways, materials, collaborations, and a dedicated market-by-market approach. Led by North America, we are focusing on a young, urban consumer group and strengthening the connection to local street culture with dedicated Superstar iterations and activations coming out of our creation center in Los Angeles.
- **Third jerseys:** The Trefoil logo returned to the pitch with the launch of third jerseys made from 100% recycled polyester for each of our five major European football clubs, namely Bayern Munich, Manchester United, Juventus, Arsenal, and Real Madrid. Blending performance and contemporary street style, the limited-edition jerseys are designed to bring the enthusiasm for football from the field to the streets.
- **The Bad Bunny & Messi Collection:** In the one-of-a-kind partnership, Bad Bunny and Lionel Messi reinvented two of our most celebrated silhouettes. The collection pays tribute to individual trophies of the two global superstars. It includes the Gazelle as Bad Bunny’s favorite style element and the F50, widely recognized as one of the best football cleats of all time and worn by Messi throughout his career.

Holistic approach to marketing investments

Our marketing activities – alongside product creation, innovation, and collaborations – are an important constituent for creating brand desirability and winning the consumer. adidas is focused on generating inspirational and innovative concepts that drive consumer advocacy, build brand equity, and drive demand for our products. With partner and brand marketing activities extending through digital platforms, advertising, point-of-sale, and grassroots activations, we create one powerful narrative. The ambition is to have a fully connected marketing funnel, from grabbing consumer attention to driving consideration when consumers are in the buying phase, down to conversion at the point of sale.

► SEE ESRS S4 CONSUMERS AND END USERS

We are active across five dimensions with bespoke marketing objectives:

- **Brand campaigns:** create visibility, unaided awareness, and establish a brand point of view.
- **Elevated franchises:** drive global desire and demand for our product franchises.
- **Category activation:** strengthen sport and cultural credibility by sharpening category propositions.
- **Horizontal brand stories:** ensure visibility and engagement for brand priorities across categories.
- **Commercial conversion:** drive conversion at the point of sale, both in-store and online.

Marketing plans anchored in our ‘You Got This’ brand campaign

From building brand awareness and brand heat all the way down to deliberate point-of-sale experiences, our brand marketing plans showcase a variety of activations at all levels of the marketing funnel, with our global brand campaign ‘You Got This’ being at the very center of it. You Got This was born from consumer insights. In conversations with our consumers, we repeatedly heard that pressure makes everything feel impossible and that sport stops being fun when negative pressure comes from all angles. The most vocalized point was the disconnect from sport due to the expectations of others.

In response, we crafted and adopted You Got This as our brand message to help people believe they can disarm negative pressure and engage with sport on their terms. We want to bring them back to where they first fell in love with sport, like their own backyard, reminding them that sport can be played without pressure. You Got This was launched in February 2024 – featuring the likes of Patrick Mahomes, Trinity Rodman, Lionel Messi, Linda Caicedo, Jude Bellingham, Anthony Edwards, Rohit Sharma and the New Zealand Rugby All Blacks – and will see continued iterations and chapters throughout 2025 and beyond.

The latest chapter of our brand campaign focuses on the ‘Plus One Effect’, highlighting the influence each of us has in uplifting others in sport. It is about changing the game, the tone, and the outcome for someone else, transforming self-doubt to self-belief and pressure to joy. We all need someone to make us believe.

Impactful and effective marketing initiatives

The summer of sports in 2024 was a fantastic opportunity to showcase how our athletes harness their inner self-belief and confidence to overcome pressure during high-stakes moments in their respective disciplines. Accordingly, we launched several You Got This chapters around major sports events, with stories narrated by our athletes, as a reminder to all – from amateur to elite level – of how integral self-belief is. For us, being a global brand with a local mindset also means telling such stories in a locally relevant way. Our teams therefore created market-specific iterations of our brand campaign chapters and hosted additional events to resonate best with local communities.

- **EURO/Copa:** We amplified the success of our teams at the UEFA EURO and CONMEBOL Copa América football tournaments through the launch of the second chapter of our You Got This brand campaign: Stars including Jude Bellingham and Lionel Messi shared their experience on pressure and how to overcome it. Simultaneously, we drove elevated brand visibility with activations such as our 'Home of adidas Football' in Berlin – a fully immersive hub with public viewing, creative studios, exhibitions, game boxes, and five-a-side football pitches for our consumers.
- **Olympics/Paralympics:** Against the backdrop of the Paris 2024 Olympic and Paralympic Games, the third chapter of our You Got This brand campaign highlighted the importance of self-belief: Athletes at the top of the game shared their mindset to encourage the next generation. The campaign matched the launch of our comprehensive Athlete Pack, a footwear collection equipping athletes across 41 different disciplines, which was also made available at our newly opened Home of Sport flagship store on the Champs-Élysées. To round up the event experience, we celebrated Olympic medal wins with our athlete partners at our adidas house in Paris.
- **Move for the Planet:** For the second time, we called on athletes at every level across the world to track their physical activity across a variety of sports. Almost 230 million minutes of activity were tracked in the adidas Running app globally, with adidas donating € 1.5 million to make sports facilities more resilient to extreme weather conditions and to provide sustainability education tools to a number of local communities.
- **Road to Records:** For the fourth edition of Road to Records, we gathered 120 world-class athletes for a unique running event at our headquarters in Herzogenaurach, Germany. Our athletes secured one new world record, two under 20 records, nine national records, and stimulated incredible energy at our World of Sports. The excitement was also visible in our adidas Runners' community – who remotely participated across 60 cities – as well as around 200 retail partners and our employees who also joined in on this extraordinary experience.

Brand partner portfolio rooted in sport

2024 was a fantastic year for sport. Many athletes were able to further improve their outstanding performances and inspire spectators all over the world. For others, it was the year in which they were able to shine on the big stage for the first time. As a sports brand, we are grateful for the trust these athletes place in us, and we will support them unconditionally throughout all stages of their journey.

We constantly strive to further extend our sizeable roster of athletes and partners. The latest signings include, among others, the Mercedes-AMG PETRONAS F1 team, the New South Wales Rugby League, the French Rugby Federation, the Ukrainian Association of Football, Texas Tech University, Aitana Bonmatí, Lamine Yamal, and Travis Hunter. In addition, we were able to extend our partnerships with UEFA Champions League, Major League Soccer (MLS), Indiana University, the Argentine Football Association, the Mexican Football Federation, the German Olympic Committee (Team D), the British Olympic Association (Team GB), and Noah Lyles.

With this, we will continue to bring our products to the biggest stages in the world through partners like:

- **Major teams, federations, leagues, and events:** Football: national teams of Algeria, Argentina, Belgium, Colombia, Costa Rica, Germany, Mexico, Italy, Jamaica, Japan, Peru, Saudi Arabia, Spain, and Sweden. Top clubs such as Arsenal F.C., F.C. Bayern Munich, Juventus Turin, Manchester United, Real Madrid, A.S. Roma, and all clubs of the Major League Soccer (MLS). Basketball: US-American universities such as University of Kansas. Running: Ethiopian Athletics Federation (EAF), French Athletics Federation (FFA), Berlin Marathon, and Boston Marathon. Other sports: Mercedes-AMG PETRONAS F1 team, India cricket team, German Olympic Committee (Team D), British Olympic

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- Association (Team GB), Dutch field hockey team, the New Zealand All Blacks, and the China national volleyball team.
- **High-profile athletes and individuals:** Football stars Selma Bacha, Jude Bellingham, Florian Wirtz, Pedri, Dani Olmo, Linda Caicedo, Kadidiatou Diani, Trent Alexander-Arnold, Ousmane Dembélé, Paulo Dybala, Emiliano Martínez, Rafael Leão, Mapi León, Lionel Messi, Lamine Yamal, Lindsey Horan, Manuel Neuer, Lena Oberdorf, Guro Reiten, Declan Rice, Trinity Rodman, Aitana Bonmatí, Alessia Russo, Mo Salah, Son Heung-min, Zinedine Zidane and Jürgen Klopp. Track and field athletes Anna Hall, Grant Holloway, Steven Gardiner, Noah Lyles, Shaunae Miller-Uibo, Gout Gout, marathon runner Tigist Assefa, as well as triathlete Patrick Lange. Basketball stars Aliyah Boston, Zia Cooke, Anthony Edwards, James Harden, Damian Lillard, Donovan Mitchell, Jalen Green, Jalen Williams, and Candace Parker. American football players Patrick Mahomes, Travis Hunter, Garrett Wilson, and Micah Parsons. Tennis players Karolína Muchová, Jessica Pegula, Elina Svitolina-Monfils, Stefanos Tsitsipas, Xinyu Wang, Caroline Wozniacki, and Alexander Zverev. Alpine skier Mikaela Shiffrin. Skateboarders Tyshawn Jones and Nora Vasconcellos. Golf players Rose Zhang and Ludvig Aberg.
 - **Cultural marketing partners:** Anitta, Baby Monster, Bad Bunny, Tate McRae, Grace Wales Bonner, Edison Chen, Caroline Daur, HoYeon Jung, Jennie Kim (Blackpink), Jerry Lorenzo, Léna Mahfouf (Léna Situations), Deepika Padukone, Stormzy, Pusha T, Pharrell Williams, and Dingyun Zhang.

Markets and Sales Channels

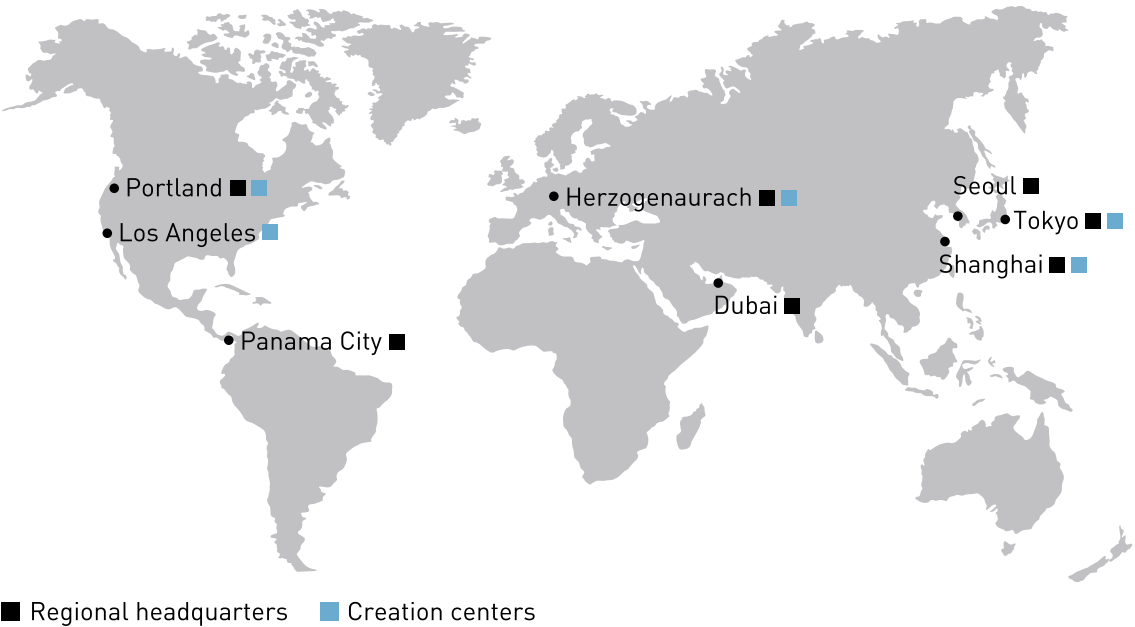
We are a global brand with a local mindset. In addition to operating our sales channels, our market teams are empowered to provide the right product and activations, driven by their superior knowledge of the local consumer landscape. The majority of our consumers buy our products at the point-of-sale of our wholesale partners. We ensure that we are a collaborative and trusted partner for them. Moreover, we engage directly with our consumers through own retail stores and our e-commerce platforms.

Local empowerment

We empower our markets to choose their offering from our global product range, create product locally to complement our global range, work with relevant brand partners, and establish the business models they need to be successful. By doing so, we ensure proximity to emerging trends, take into account unique cultural differences, and reduce our time to market. While our headquarter organization in Herzogenaurach, Germany, provides the global framework for how our brand comes to life, our market organizations ensure local relevance. In this context, our home market Europe is managed out of Herzogenaurach, North America out of Portland, and Greater China out of Shanghai. We run Emerging Markets from Dubai, Latin America from Panama City, and Japan/South Korea from Tokyo and Seoul. In several of these regional hubs, we have invested into and operate local creation centers.

▶ SEE PRODUCT AND MARKETING

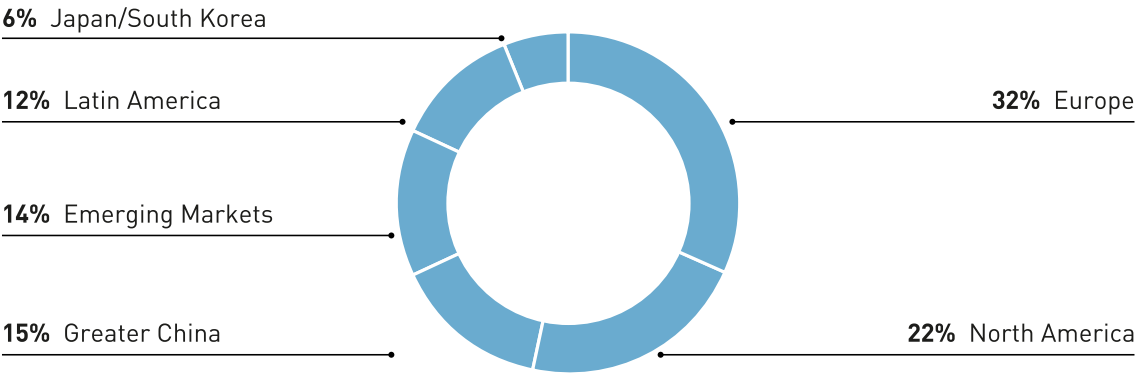
Regional headquarters and creation centers



Global reach

From a net sales perspective, in 2024, Europe – our home market – had the highest share of business at 32% (2023: 30%), followed by North America at 22% (2023: 25%), and Greater China at 15% (2023: 15%). Emerging Markets represented 14% (2023: 13%), complemented by Latin America at 12% (2023: 11%) and Japan/South Korea at 6% (2023: 6%). ▶ SEE BUSINESS PERFORMANCE BY SEGMENT

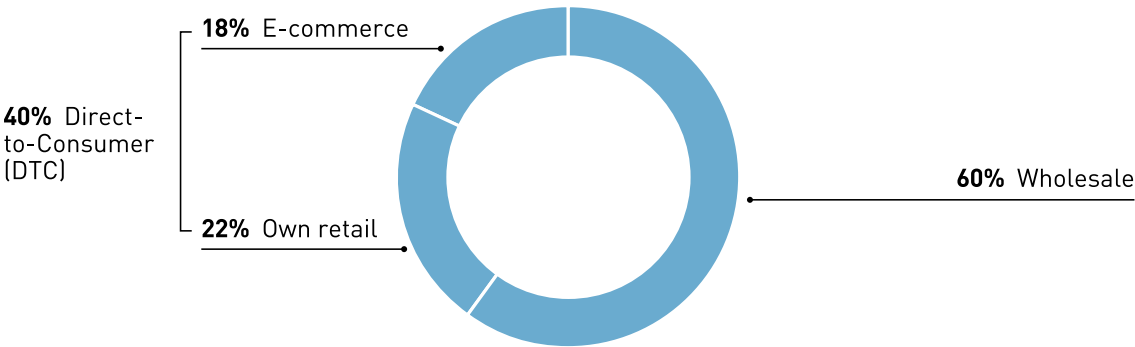
Net sales share by market



Sales channels

Our guiding principle is to meet our consumers where they are. Given the strong relevance of multi-brand distribution in several markets and categories globally, wholesale remained our largest channel, accounting for 60% of total net sales in 2024 (2023: 59%). The share of direct-to-consumer (DTC) business, consisting of own retail and e-commerce sales, was 40% in 2024 (2023: 41%).

Net sales share by channel



Wholesale

We focus on being a trusted service partner to our retail partners. Through speed, flexibility, strategic foresight, and the right attitude, we successfully leveraged the elevated interest in our brand and products to regain shelf space. At the same time, we are closely managing demand and vigilantly track customer sell-out and inventory levels. Our priority remains to build the right assortments for each key account and ensure that we have a more focused sell-in and better in-store presentation. We continue to invest in future growth with our partners through branded space initiatives and customer-exclusive products that have a positive impact on our business. In addition, we are building on the positive feedback and strengthening the direct dialogue with our partners through dedicated partner camps at our various hubs around the world. We unlock additional sales opportunities by sharing and scaling these best practices across all of our markets.

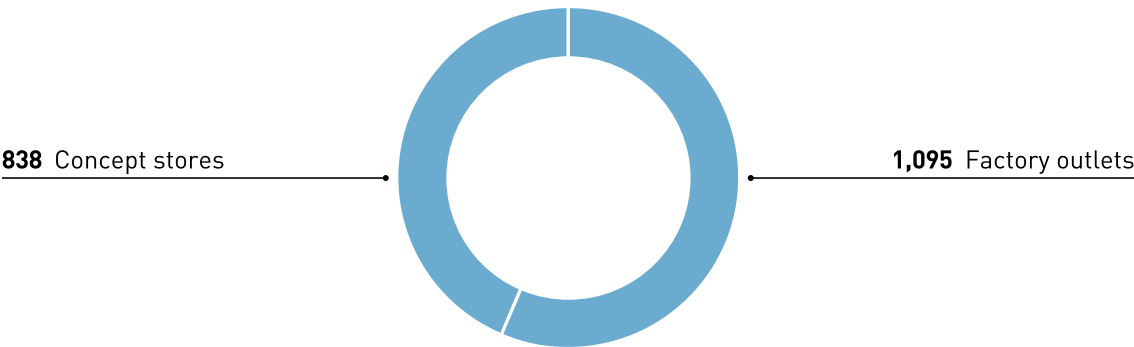
Own retail

Our own retail stores allow our consumers to directly interact with our brand, product, teams, and communities. They can touch and try on our products, feel inspired by our stories, and experience what we stand for as a brand. We continued to invest into a premium physical brand presence with digital elements and an environment that satisfies a wide variety of our consumers’ needs in strategic locations.

In 2024, the total number of stores was 1,933 (2023: 1,863), comprising of 838 concept stores (2023: 832) and 1,095 factory outlets (2023: 1,031). Our fleet of concept stores – including flagship stores, brand centers, and [concession corners](#) – focuses on offering premium experiences, while factory outlet stores are targeted at the value-seeking consumer.

We continued to elevate our presence in strategic locations through additional stores and remodels during 2024. For example, we opened our new Champs-Élysées flagship store right in time for the Olympic and Paralympic Games in Paris 2024, and the first sneaker store in the culturally relevant Bukchon neighborhood in Seoul, South Korea. In Saudi Arabia and Dubai, we invested in dedicated women’s stores to mirror the changing consumer landscape in these countries. Our store fleet is also complemented by local pop-ups, where we leverage our influencers and athletes to promote products. Ultimately, we will keep investing into our physical retail fleet as it represents an essential part of building our brand heat.

Number of stores by format



1	2	3	4	5	6
TO OUR SHAREHOLDERS	GROUP MANAGEMENT REPORT – OUR COMPANY	GROUP MANAGEMENT REPORT – FINANCIAL REVIEW	GROUP MANAGEMENT REPORT – SUSTAINABILITY STATEMENT	CONSOLIDATED FINANCIAL STATEMENTS	ADDITIONAL INFORMATION

E-commerce

We redefined the role of e-commerce within our sales channel mix and successfully focused on improving full-price sales and reducing promotional activity. In addition, our adiClub membership program brings unique experiences such as raffles, ‘money-can’t-buy’ products, vouchers, and partner offers to our members. Accumulated points can be used across all our digital and retail touchpoints, creating a seamless consumer experience. Our award-winning running app keeps millions of consumers active, motivates them by earning adiClub points, provides personalized fitness plans, and brings global brand moments to life. The ‘Confirmed’ app – our digital boutique and premium touchpoint for sneakerheads, streetwear, fashion, and style enthusiasts – continued to thrive through collaborations with high-fashion brands and pioneers such as Wales Bonner, Bad Bunny, and Edison Chen. The app delivers coveted and premium products to our consumers, offering best-in-class experiences and further solidifies our status as a trendsetter in the global lifestyle world.

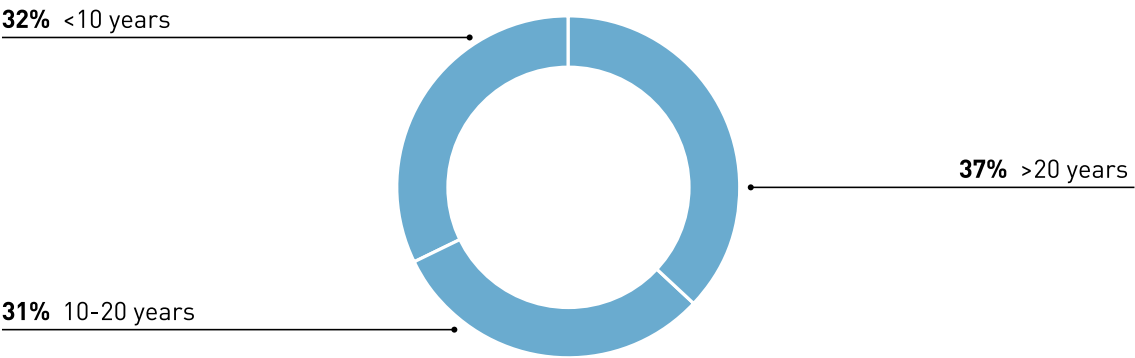
Sourcing and Supply Chain

To ensure high standards in product quality and efficiency, we mainly source our products through independent manufacturing partners located in Asia. In addition, to maximize responsiveness, we follow a local-for-local sourcing approach, wherever reasonable. We acknowledge adverse social and environmental impacts within our supply chain and drive actions to mitigate and reduce those impacts. With the consumer in mind, we aim to support our markets in having the right product available at the right point of sale at the right point in time.

Long-term relationships with independent manufacturing partners

To ensure high standards in product quality and efficiency, we outsource almost 100% of our production to [independent manufacturing partners](#) with the vast majority located in Asia. Strong capabilities around materials and processes have been built up in close collaboration with our strategic suppliers in this region over several decades. While we provide them with detailed product specifications that cover technical and sustainability dimensions, they possess excellent expertise in cost-efficient, high-volume production of footwear, apparel, and accessories and gear. By valuing long-term relationships, we can ensure that this expertise continues to grow: 68% of our independent manufacturing partners have worked with adidas for at least ten years, and 37% for over 20 years.

Length of relationship with independent manufacturing partners



Local-for-local sourcing for maximum responsiveness and flexibility

With our responsive and flexible sourcing model, we are able to react quickly to changing order patterns. In close collaboration with our wholesale partners, we are continuously assessing sell-through and can replenish product that is particularly sought-after during the season. This helps us to effectively reduce inventory risk and drive incremental net sales and higher margins by reducing initial order sizes.

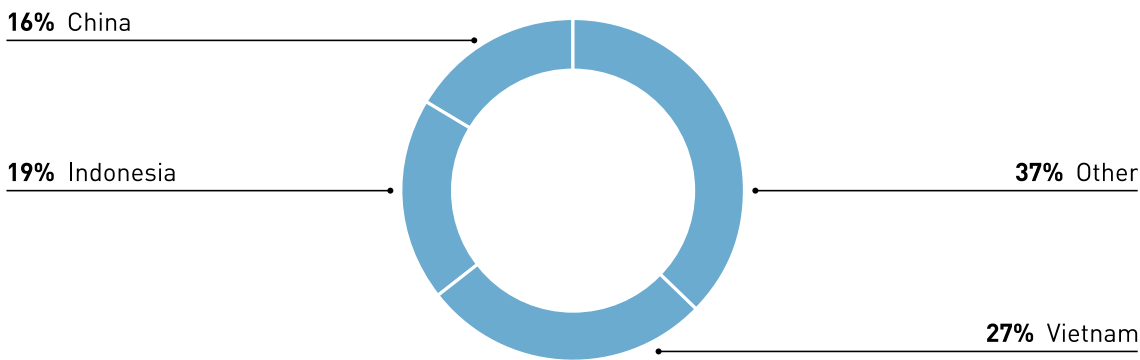
We have continued to increase our local-for-local sourcing in several markets such as Greater China, India, Brazil, and Argentina. For example, we have set up an operating model in Greater China that enables end-to-end lead time reduction for articles requiring higher in-season responsiveness. We have improved market order efficiency and now produce the vast majority of product for the local market in Greater China. In addition to ensuring higher responsiveness, we constantly monitor the political and regulatory environment across the globe and avoid transferring goods between countries that would trigger increased trade tariffs.

Vietnam as our main sourcing country

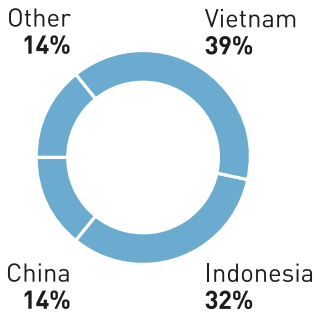
In 2024, Vietnam remained the largest sourcing country, accounting for 27% of adidas total volume (2023: 26%), followed by Indonesia at 19% (2023: 19%) and China at 16% (2023: 16%). Overall, 92% of our total 2024 volume was produced in Asia (2023: 90%). Our largest factory produced approximately 5% of the total sourcing volume (2023: 4%).

Share of sourcing volumes by product category and country

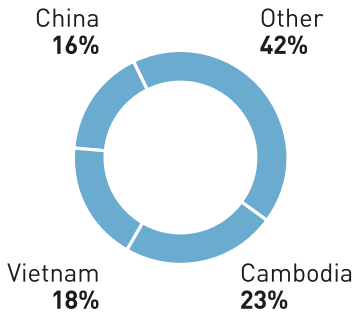
Total



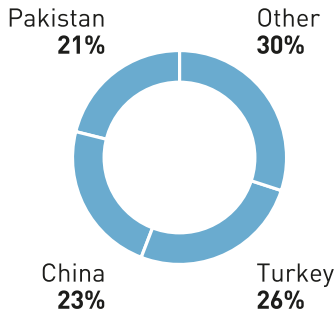
Footwear



Apparel



Accessories and Gear



Reduction of adverse impacts throughout our supply chain

Greenhouse gas emissions from manufacturing are a major contributor to our CO₂e emissions. To address this, we work with our suppliers to set decarbonization targets, including, but not limited to, increasing the use of renewable energy sources, the adaption of more sustainable materials, and demonstrating progress toward targets that are aligned with the Science Based Target initiative (SBTi). We incentivize suppliers for their decarbonization performance through product allocation priority and market share opportunities. We also expect our suppliers to reduce water consumption at Tier 2 factories and to use chemical formulations that achieve the highest conformance level with ZDHC Manufacturing Restricted Substances List (ZDHC MRSL) standards. By mapping and addressing deforestation risks, we manage the impact of our supply chain on biodiversity.

To ensure that we focus on both environmental topics and the interests of the workers in our supply chain, we have established the Human Rights and Environmental Due Diligence (HREDD) framework. This guides internal risk assessment and risk management processes in accordance with the United Nations (UN) Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and is in line with our Human Rights Policy commitments and other regulatory obligations, including the German Supply Chain Due Diligence Act.

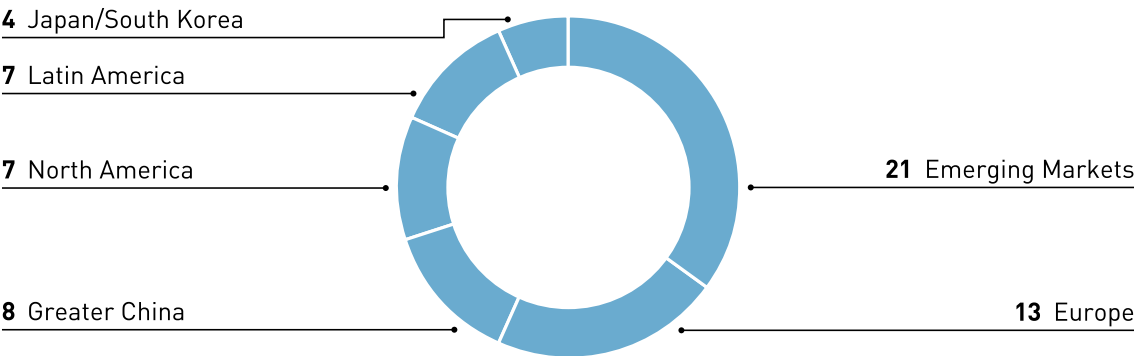
▶ SEE SUSTAINABILITY STATEMENT

Serving consumers and partners through global distribution center network

After production, our products are shipped primarily by sea to our global distribution network of 60 distribution centers, 21 of which are company-owned and 39 of which are managed by logistics partners. These centers are strategically located across the globe. To enhance product availability, around half of the centers serve all channels, while the other half are tailored to specific channels or services. This set-up ensures that our products are available when and where the consumer wants them.

▶ SEE MARKETS AND SALES CHANNELS

Distribution centers by region



People and Culture

We believe that our people are the key to the company’s success. Their performance, well-being, and personal development have a significant impact on brand desire, consumer satisfaction, and, ultimately, our financial performance.

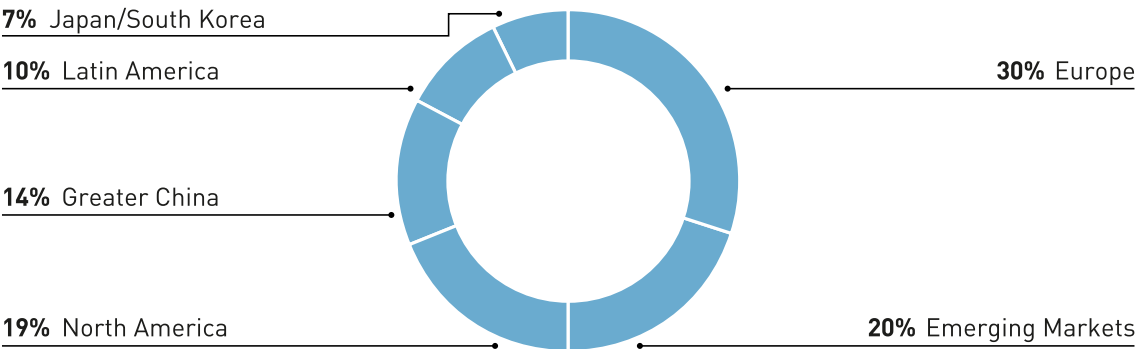
Our goal is to develop a culture that values our employees’ experience, unique differences, well-being, and performance. To support this aim, we rely on our six values – Courage, Ownership, Innovation, Team Play, Respect, and Integrity – across our people policies and processes, including how we hire, develop, promote, and evaluate performance. These values underpin our culture and are the essence of our identity. They underscore the behaviors and mindsets we value in our colleagues, represent the attitude we want to see in each other, and help us achieve top performance.

Our business model is fundamentally driven by human capital, encompassing skilled and creative individuals. As a result, fostering excellent working conditions and supporting freedom of association and the right to collective bargaining are material for us. This includes ensuring secure employment, promoting a healthy work-life balance with flexible and fair working time, enhancing employee engagement and development, creating an inclusive workplace for all employees that is non-exclusionary and is non-discriminatory, fostering everyone’s talent, and providing competitive and adequate wages. These factors are crucial for attracting and retaining top talent, which in turn guarantees high product quality and the ability to meet consumer demands.

Employees worldwide

62,035

Employee share by region¹



¹ At year-end.

Our continued focus on people and culture is also reflected in our priorities around ‘Diversity, Equity, and Inclusion’ (‘DEI’), leadership, and performance. These pillars seek to focus our efforts on people and culture through:

- **Creating a level playing field for everyone:** DEI means valuing and leveraging the differences of our talents, consumers, and partners, while ensuring they are treated fairly and respectfully to enhance performance and unleash creativity. By creating a level playing field for everyone, we ensure that every individual has an equal opportunity to thrive and unleash high performance. By recruiting talent with diverse backgrounds and fostering a welcoming environment, we create a workplace where everyone commits and contributes at their full potential. ► SEE ESRs S1 DIVERSITY

Women in management positions

41%

- **Attracting, developing, and retaining key talent:** adidas is recognized as one of the best companies to work for, with our 'employer of choice' status continuing to receive global recognition in 2024, as we are ranked second best in our category in Forbes' 'World's Best Employers' list. We were also listed once again in Universum's 'World's Most Attractive Employers' rankings in 2024 for business students worldwide. In addition, we were ranked second in 'Stern Germany's Best Employers,' which is three positions higher than in the previous year. According to Stern, we are ranked as the third most attractive company in Germany for female employees. Also in 2024, adidas was ranked first in TextilWirtschaft's 'Working in Fashion' study, which identifies Germany's most popular employers in the fashion industry. Among other awards, adidas also won the 'Employee Experience Breakthrough Artist Award' for empowering its employee experience with AI-powered solutions. Finally, adidas received a perfect score of 100 from the 'Human Rights Campaign' for creating an equitable and inclusive workplace for our LGBTQIA team members. ► SEE ESRs S1 DIVERSITY
- **Building role-model leaders who empower people:** Our development offerings focus on growing leadership behaviors and the essential skills needed to ensure our continued success, across all different seniorities. In addition, our leaders receive inclusive leadership training through our 'Leading with Inclusion' program. Our ambition is to inspire and nurture talented and diverse leaders who exemplify our leadership behaviors in their day-to-day work. Through our new leadership framework, we aim to establish a language that can support our people in embedding these behaviors in all moments and hold each other accountable to the highest standards. We undertake different initiatives to elevate and enhance our leadership pipeline. ► SEE ESRs S1 TRAINING AND SKILLS DEVELOPMENT
- **Creating a premier employee experience:** Ensuring a positive and impactful employee experience is a key focus for us. We do this through listening to feedback from our employees, offering opportunities for flexibility, and focusing on well-being. To support a healthy lifestyle and mental well-being, our employees have access to a wide range of sports activities, events, and facilities. We have corporate gyms at many locations worldwide, including Herzogenaurach, Portland, Gurgaon, Shanghai, Dubai, and Manchester. Many of our office buildings have lockers and showers, allowing employees to include sports in their working day or cycle to work. To meet employee needs in a hybrid work set-up, programs are both local and virtual to support teamwork and a healthy lifestyle. Offerings include hybrid sports classes, medical and psychosocial consultations (in-person and virtual), tools for digital disconnection, and carefully curated sessions on life topics. ► SEE ESRs S1 GENERAL ENGAGEMENT WITH OWN WORKFORCE
► SEE ESRs S1 WORKING TIME AND WORK-LIFE BALANCE

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- **Instilling a mindset of continuous learning:** We continue to promote a high-performance culture by developing our employees and rewarding performance. We offer a wide range of learning and development opportunities, including online learning resources and interactive learning experiences that provide personal and professional growth opportunities for our workforce. Our investments in digital learning and development opportunities offer equitable access to learning content and just-in-time upskilling and/or reskilling. ▶ SEE ESR5 S1 TRAINING AND SKILLS DEVELOPMENT
 - **Recognizing and rewarding both individual and team performance:** The key focus of our rewards approach is to attract, retain, and motivate individuals through remuneration and benefits that are inclusive, fit for purpose, and competitive in the marketplace – thus enabling us to achieve our strategic objectives. To promote a high-performance culture, it is essential that we focus on performance management to ensure fair and equitable reward and recognition. ▶ SEE ESR5 S1 ADEQUATE WAGES
▶ SEE ESR5 S1 REMUNERATION METRICS

Our employees’ interests, views, and rights are of great importance to us. We engage with them through multiple channels and events to continually create a premier employee experience.